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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF
~~TRICO ELECTRIC COOPERATIVE, INC.~~ FOR
APPROVAL OF ITS 2011 RENEWABLE ENERGY
STANDARD TARIFF IMPLEMENTATION PLAN.

DOCKET NO. E-01461A-10-0263

**NOTICE OF FILING
COMPLIANCE
(Decision No. 72086)**

Per Decision No. 72086 (January 19, 2011), Trico Electric Cooperative, Inc., through undersigned counsel, hereby files its Compliance Report for the ~~Calendar Year~~ 2011 pursuant to A.A.C. R14-2-1812.

RESPECTFULLY submitted this _____ day of March, 2012.

for Michael W. Patten
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Attorneys for Trico Electric Cooperative, Inc.

Original + 13 copies of the foregoing
filed this 30th day of March 2012 with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

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1 Copies of the foregoing hand-delivered/mailed
2 this 30th day of March, 2012, to:

3 Brian Bozzo
4 Compliance Manager, Utilities Division
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, AZ 85007

8 By





**Renewable Energy Standard and Tariff
Compliance Report
Compliance Year 2011**

**Trico Electric Cooperative, Inc.
Renewable Energy Standard and Tariff
Compliance Report
Compliance Year 2011**

INTRODUCTION

Pursuant to A.A.C. R14-2-1812, Trico Electric Cooperative, Inc. ("Trico") submits this compliance report for calendar year 2011. This report relates to Trico's 2011 Renewable Energy Standard and Tariff Plan ("REST Plan"), approved by the Arizona Corporation Commission (the "Commission") in Decision No. 72086 dated January 19, 2011.

EXECUTIVE SUMMARY

The REST Plan uses surcharge dollars from Trico's Commission-approved retail tariffs to support programs for developing renewable facilities, purchasing renewable energy and participation in large-scale renewable generation projects. Funds are also used for administration, advertising and educational activities.

The REST Plan for 2011 was approved pursuant to R14-2-1814. R14-2-1814 provides that, upon Commission approval of Trico's REST Plan, its provisions substitute for the Annual Renewable Energy and Distributed Renewable Energy requirements of Rules 1804 and 1805, respectively.

2011 INSTALLATIONS AND ENERGY GENERATED

In 2011, 77 new Photovoltaic ("PV") systems were installed in Trico's service area. Of these new systems, all of them were on-grid for a total installed capacity of 1,711 kW. Additionally, of these new systems, 76 are distributed generation and 1 new system is non-distributed generation (74 residential and 3 commercial).

In 2011, 55 new solar water heating systems were installed in Trico's service area. All of these new systems were residential installations expected to save approximately 143,267 kWh per year.

In 2011, one (1) new residential wind system was installed in Trico's service area totaling an installed capacity of 2.4 kW.

These additions bring the total number of renewable generation installations in Trico's service area by the end of 2011 to 479. This includes 343 PV installations (1 off-grid, 342 on-grid) with a total installed capacity of 3,540 kW, 2 wind installations with a total capacity of 4.8 kW and 134 Solar water heating installations expected to save approximately 368,579 kWh per year.

R14-2-1812 INFORMATION

1. Actual kWh of energy or equivalent obtained from Eligible Renewable Energy Resources ("ERER"):

The estimated annualized kWh of energy obtained from ERER in 2011 was 7,548,379 kWh.

Trico does not track the actual metered output of its residential distributed generation ("DG") resources. The number above reflects an estimated annual kWh output of 2,190 kWh per installed residential system. Trico does, however, meter its greater than 10 kW commercial DG installations and such actual metered output is reflected in the number provided above.

2. The kWh of energy or equivalent obtained from the ERER normalized to reflect a full year's production:

The kWh of energy obtained from ERER normalized to reflect a full year's production is 8,159,764 kWh.

Trico does not track the actual metered output of its residential distributed generation ("DG") resources. The number above reflects an estimated annual kWh output of 2,190 kWh per installed residential system. Trico does, however, meter its greater than 10 kW commercial DG installations and such actual metered output is reflected in the number provided above.

3. The kW of generation capacity, disaggregated by technology type:

Renewable Energy Source	kW
Photovoltaic	
Residential	1,665
Commercial (<10kW)	46
Commercial (>10kW)	1,829
Subtotal Photovoltaic	3,540
Solar Water Heating	168
Wind	5
Total	3,713

4. Cost information regarding cents per actual kWh of energy obtained from EREC and cents per kW of generation capacity, disaggregated by technology type¹:

Renewable Energy Source	REC Cost per kWh (20 year term) \$/kWh*	REC Cost per kW (20 year term) \$/kW*
Photovoltaic		
Residential	\$0.0576	\$126.18
Commercial (<10kW)	\$0.0708	\$155.00
Commercial (>10kW)	\$0.0771	\$168.94
Subtotal Photovoltaic	\$0.0679	\$148.64
Solar Water Heating	\$0.0289	\$63.18
Wind	\$0.0459	\$100.58

*Note: The calculations are based upon a twenty (20) year Renewable Energy Credit (REC) term.

5. A breakdown of the Renewable Energy Credits used to satisfy both the Annual Renewable Energy Requirement and the Distributed Renewable Energy Requirement and appropriate documentation of the Affected Utility's receipt of those Renewable Energy Credits:

The Renewable Energy Credits in relation to the Annual Renewable Energy Requirement are 7,548,379 kWh.² The Renewable Energy Credits used to satisfy the Distributed Renewable Energy Requirement are 8,159,764 kWh.

6. A description of the Affected Utility's procedures for choosing EREC and a certification from an independent auditor that those procedures are fair and unbiased and have been appropriately applied:

Concerning resource acquisition procedures, Trico is a Rural Utilities Services ("RUS") borrower and is subject to RUS procedures on resource acquisition as specified in the Code of Federal Regulations (generally, 7 CFR § 1710, *et seq.*). Among other requirements, requests for proposals must be issued to potential providers and solicitations are published in at least three national publications in addition to direct contacts. No RFPs for renewable resources were issued by Trico in 2011.

¹ The cost information included in this report for the renewable installations is based upon eligible rebates to customers. Rebates are paid as funds become available.

² As stated previously, R14-2-1814 provides that, upon Commission approval of Trico's REST Plan, its provisions substitute for the Annual Renewable Energy and Distributed Renewable Energy requirements of Rules 1804 and 1805.